Dealing with Disruption

Mark Cohen

GM Product Solutions - Fairfax Media

Introduction

Disruptive Innovation

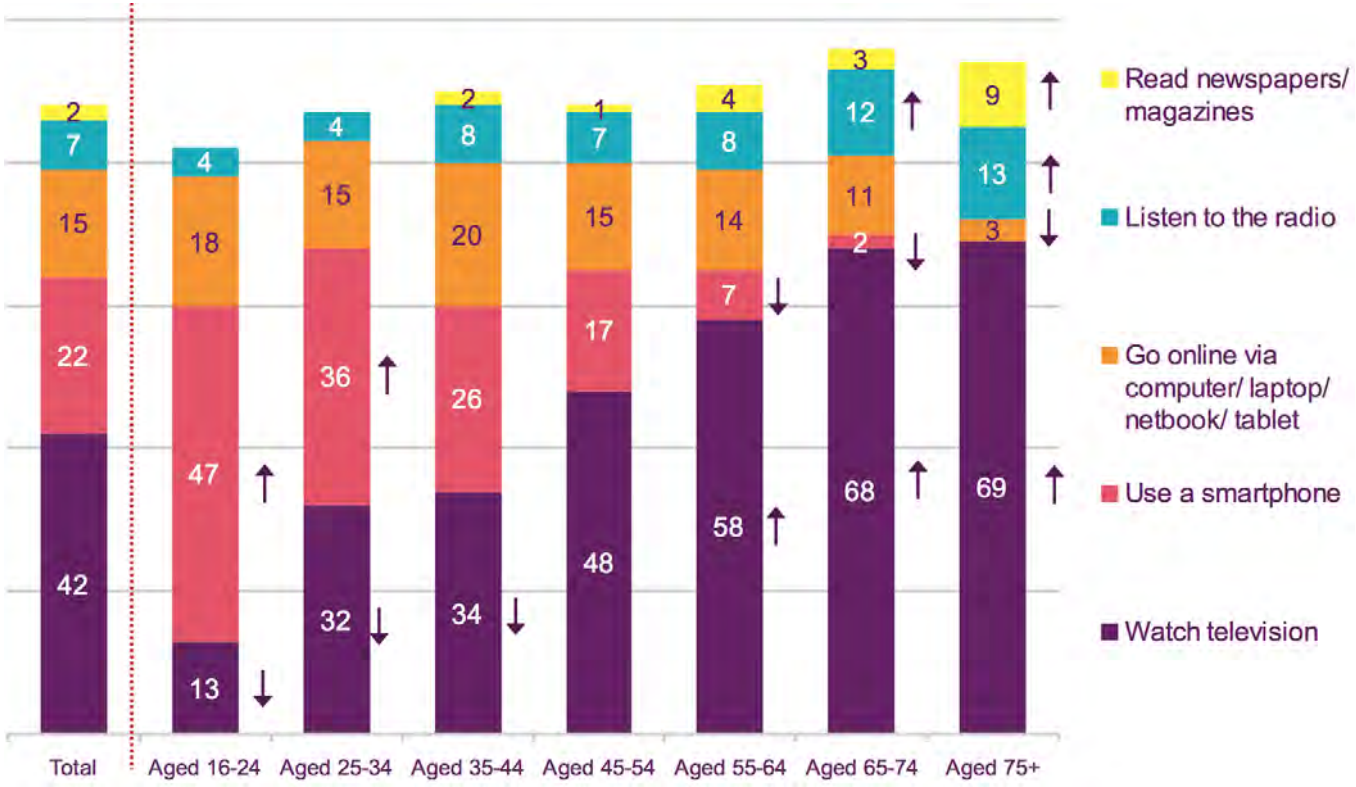
Dealing with Disruption

Wrap-up: Key take-aways

Q&A

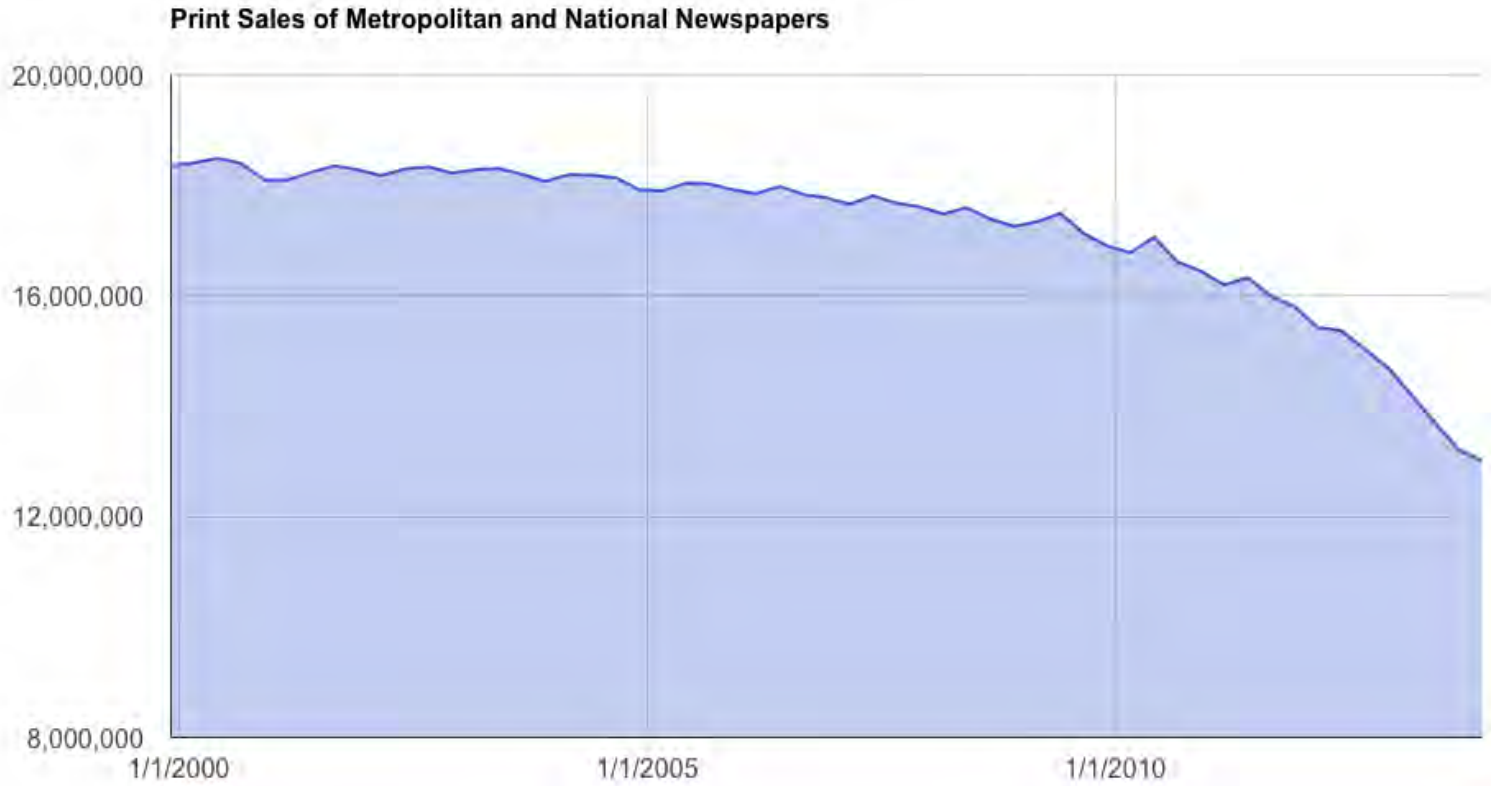
brisbanetimes.com.au
Independent. Always.
The Sydney Morning Herald
Independent. Always.
commercialrealestate
Drive com.au
WAtoday.com.au
Independent. Always.
THE AGE
Independent. Always.
Dominate with
Domain
rsvp
The Southland Times
Your news, your views, your voice
The Canberra Times
Independent. Always.
FINANCIAL REVIEW
fishing news
THE DOMINION POST
dompost.co.nz
DAILYLIFE
FIND A babysitter
Waikato Times
Marlborough Express
goodfood
Fairfax Media
TARANAKI DAILY NEWS online
Essential Baby
The Post Weekly
stuff.co.nz
The Border Mail
Port Macquarie News
SUNDAY STAR★TIMES
www.sundaystartimes.co.nz
AgTrader
star
Great Lakes Advocate
Magic1278
The best songs of all time
NEWCASTLE HERALD
WEBSITE OF THE YEAR
2UE954 NEWS TALK
4BC1116
Glen Innes Examiner
WESTERN Times
ILLAWARRA MERCURY
3AW693 NEWS TALK
Western Advocate
6PR882 NEWS TALK

Most-missed media – top five mentions



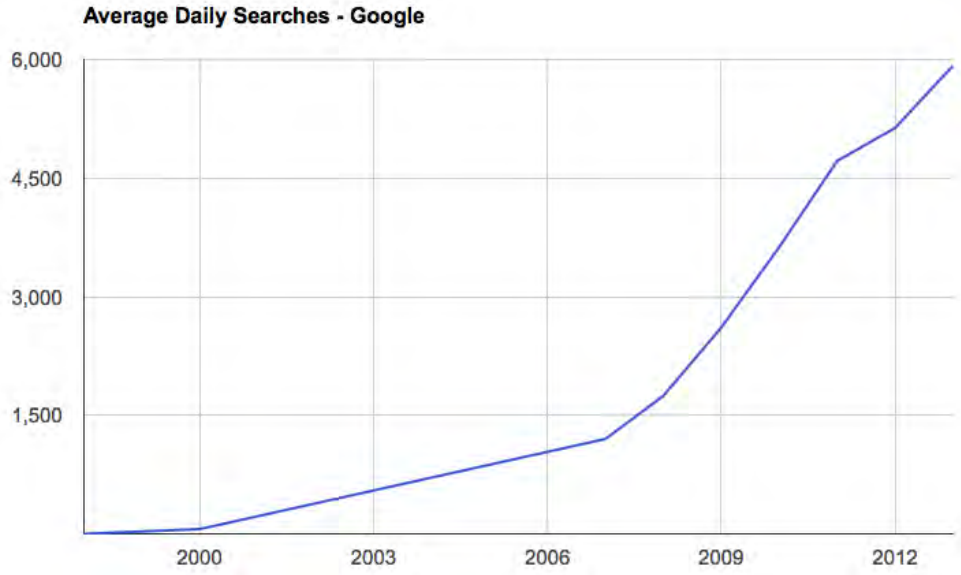
A2 – Which one of these would you miss doing the most? (Prompted responses, single coded) – NB Showing the five most popular responses in 2013 at an overall level
Base: All adults aged 16+ (1642 aged 16+, 224 aged 16-24, 260 aged 25-34, 270 aged 35-44,226 aged 45-54, 262 aged 55-64, 211 aged 65-74, 189 aged 75+). Significance testing shows any difference between any age group and all adults aged 16+
Source: Ofcom research, fieldwork carried out by Saville Rossiter-Base in October to November 2013 http://stakeholders.ofcom.org.uk/binaries/research/media-literacy/adults-2014/2014_Adults_report.pdf

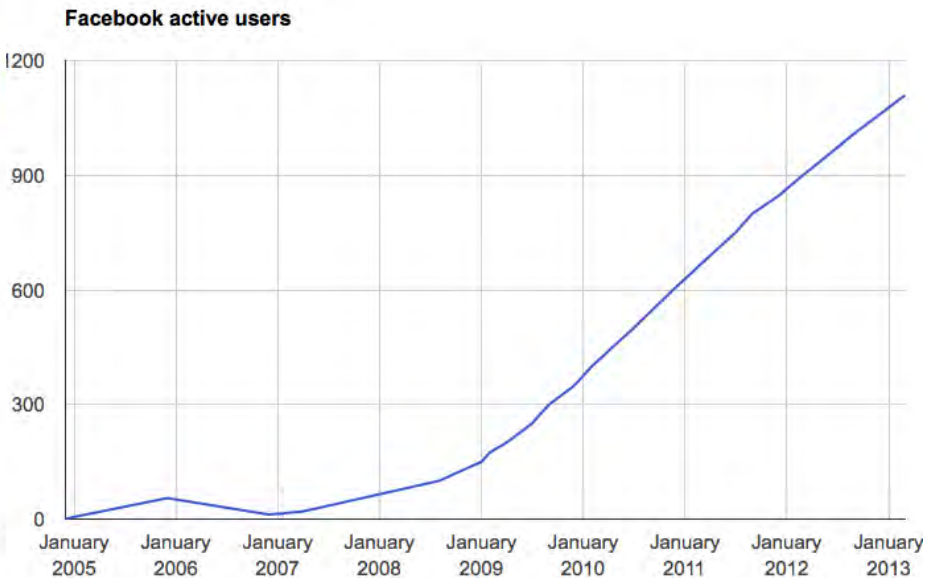
This is how disruption feels...



Source: ABC, aggregated and analysed by The Newspaper Works. Combined weekly print sales volumes of National and Metropolitan newspapers shown.

Meanwhile over at some of the disruptors...





http://www.statisticbrain.com/google-searches/

http://news.yahoo.com/number-active-users-facebook-over-230449748.html

Picture – Stefan Riepl, source http://en.wikipedia.org/wiki/File:Elektronenroehren-auswahl.jpg

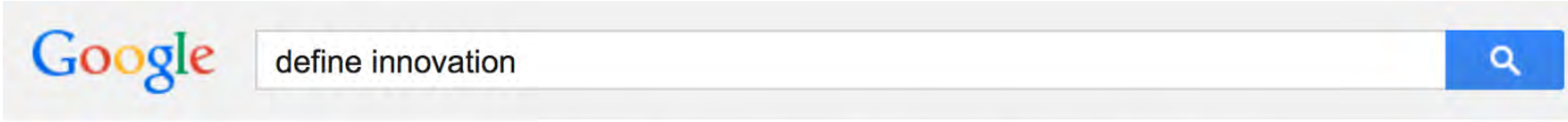
Introduction

Disruptive Innovation

Dealing with Disruption

Wrap-up: Key take-aways

Q&A



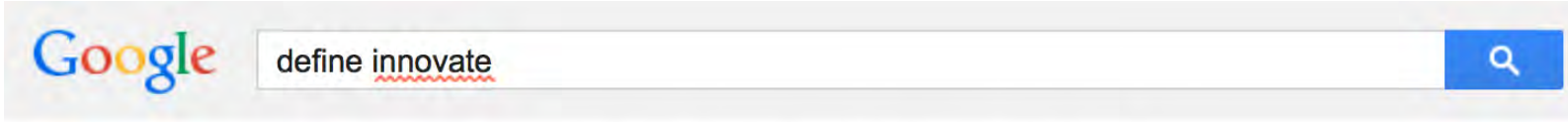
About 64,900,000 results (0.18 seconds)

innovation

/ɪnəˈveɪʃ(ə)n/

noun

1. the action or process of innovating.
   "innovation is crucial to the continuing success of any organization"
   synonyms: change, alteration, revolution, upheaval, transformation, metamorphosis, reorganization, restructuring, rearrangement, recasting, remodelling, renovation, restyling, variation; More



About 5,430,000 results (0.25 seconds)

innovate

/ˈɪnəveɪt/

verb

1. make changes in something established, especially by introducing new methods, ideas, or products.
   "the company's failure to diversify and innovate competitively"

innovate - **definition of innovate** by the Free Online Dictionary ...
www.thefreedictionary.com/**innovate**

v. in·no·vat·ed, in·no·vat·ing, in·no·vates. v.tr. To begin or introduce (something new) for or as if for the first time. v.intr. To begin or introduce something new.

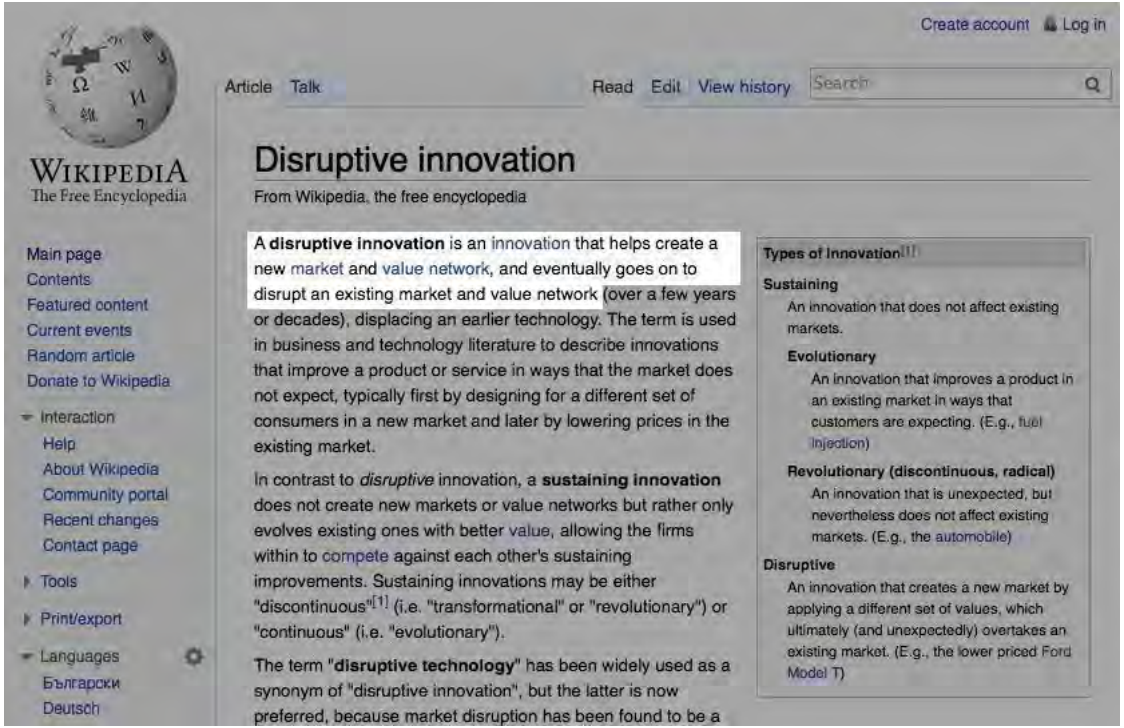
Innovated - Innovate 3 - Innovater - Innovate or Die

What is “Innovation”?

- Invention taken to market
- Comes in flavours
  - Disruptive (or Market-creating)
  - Sustaining
  - Efficiency

What is this “Disruptive”?

Creates a new value network that eventually displaces and replaces a prior system.



Create account Log in

Article Talk Read Edit View history Search

WIKIPEDIA
The Free Encyclopedia

Main page
Contents
Featured content
Current events
Random article
Donate to Wikipedia
Interaction
Help
About Wikipedia
Community portal
Recent changes
Contact page
Tools
Print/export
Languages
Български
Deutsch

Disruptive innovation

From Wikipedia, the free encyclopedia

A **disruptive innovation** is an innovation that helps create a new market and value network, and eventually goes on to disrupt an existing market and value network (over a few years or decades), displacing an earlier technology. The term is used in business and technology literature to describe innovations that improve a product or service in ways that the market does not expect, typically first by designing for a different set of consumers in a new market and later by lowering prices in the existing market.

In contrast to *disruptive* innovation, a **sustaining innovation** does not create new markets or value networks but rather only evolves existing ones with better value, allowing the firms within to compete against each other's sustaining improvements. Sustaining innovations may be either "discontinuous"[1] (i.e. "transformational" or "revolutionary") or "continuous" (i.e. "evolutionary").

The term "**disruptive technology**" has been widely used as a synonym of "disruptive innovation", but the latter is now preferred, because market disruption has been found to be a

Types of Innovation[1]

Sustaining
An innovation that does not affect existing markets.

Evolutionary
An innovation that improves a product in an existing market in ways that customers are expecting. (E.g., fuel injection)

Revolutionary (discontinuous, radical)
An innovation that is unexpected, but nevertheless does not affect existing markets. (E.g., the automobile)

Disruptive
An innovation that creates a new market by applying a different set of values, which ultimately (and unexpectedly) overtakes an existing market. (E.g., the lower priced Ford Model T)

http://en.wikipedia.org/wiki/Disruptive_innovation

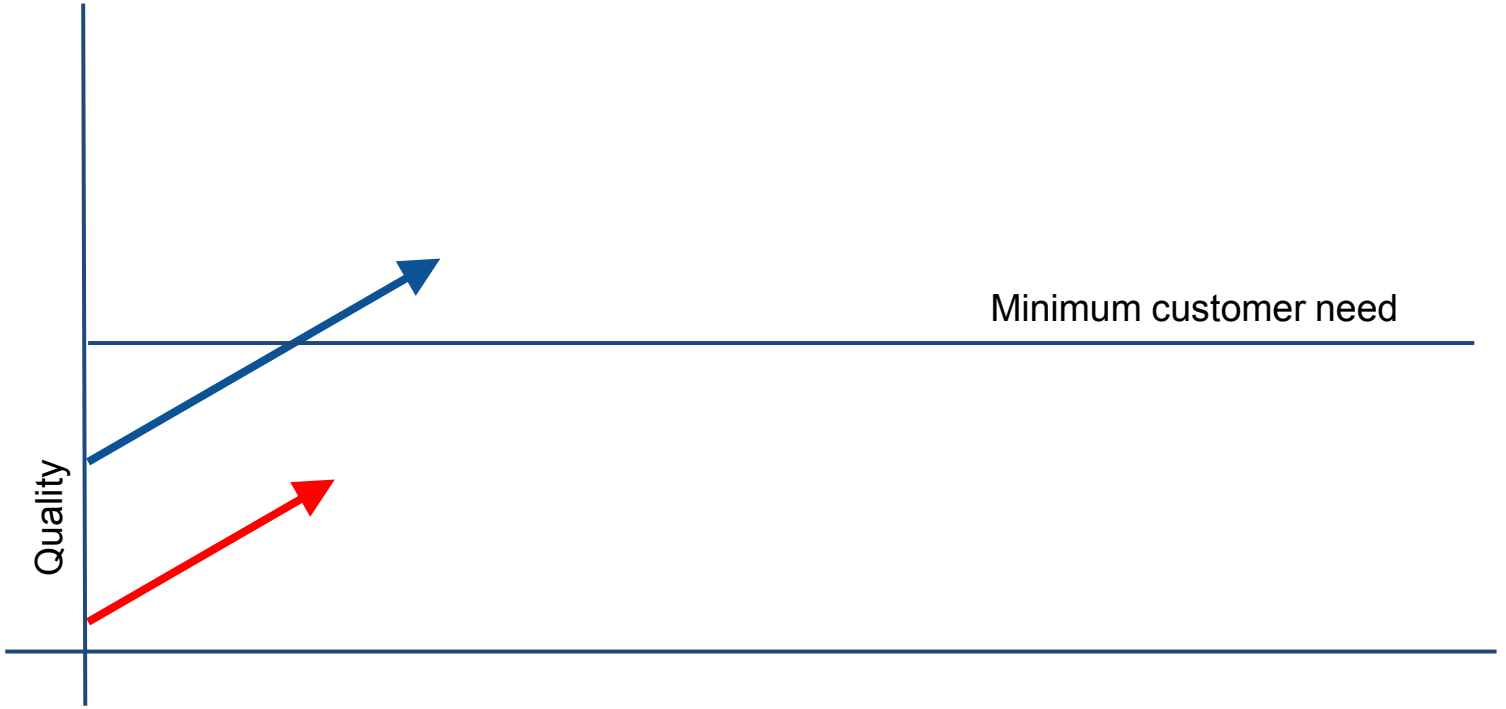
Targets the non-consumer

DELL

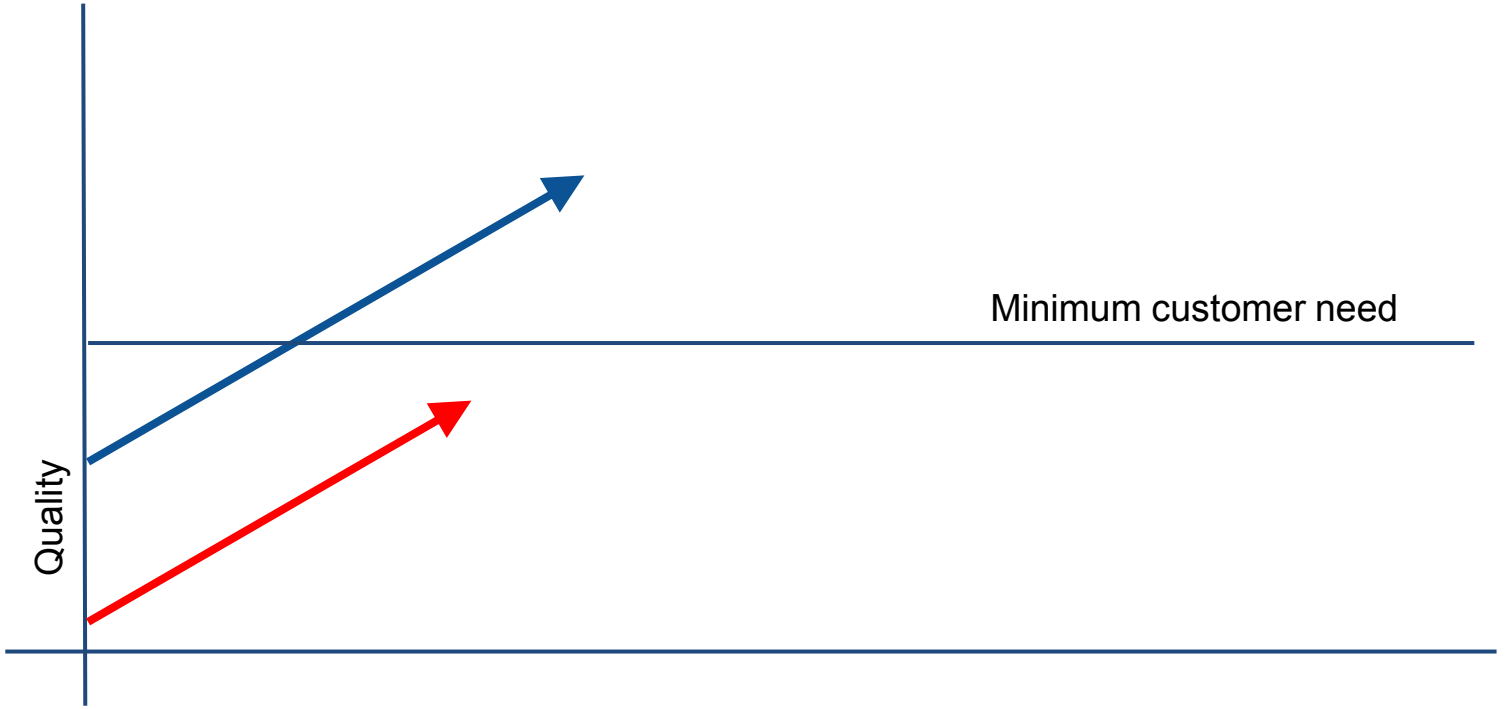
ASUS®

Inspiring Innovation • Persistent Perfection

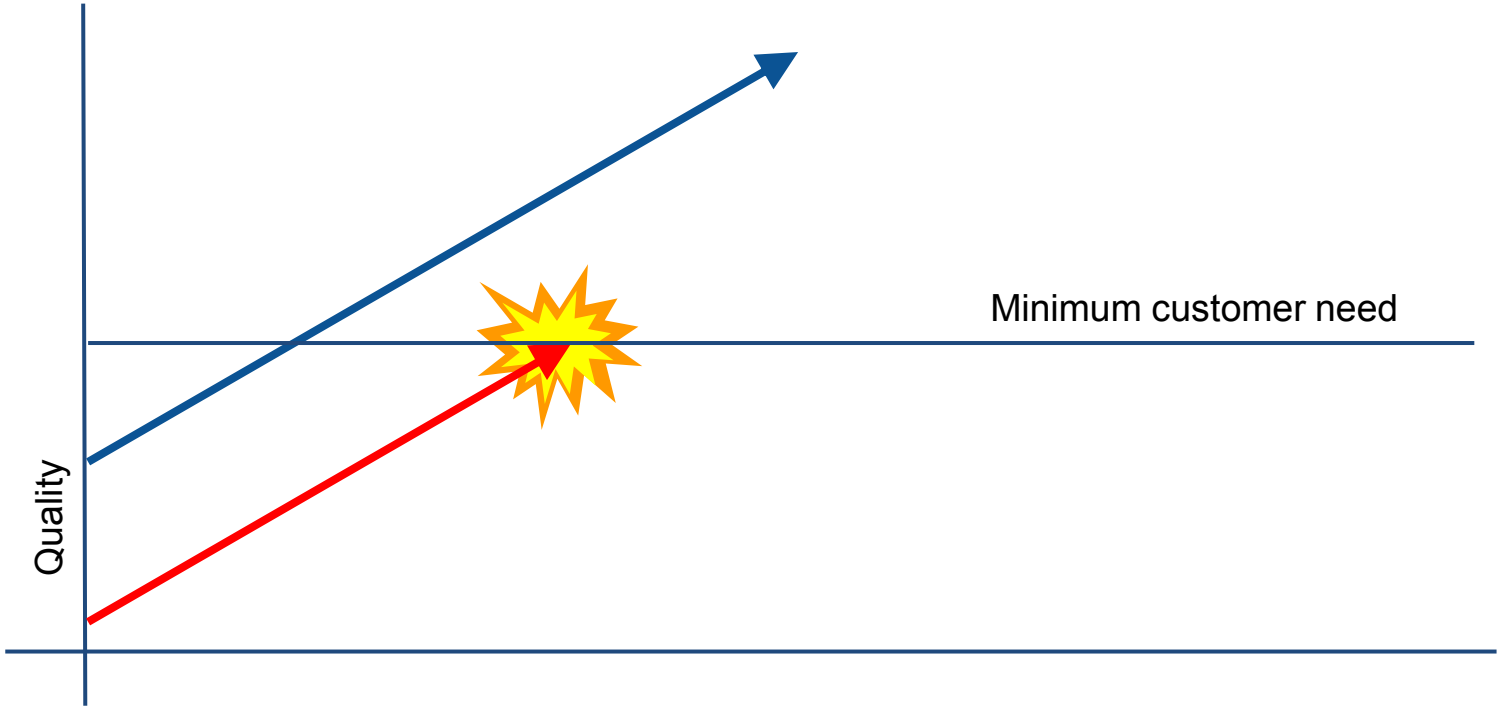
How Disruption Happens



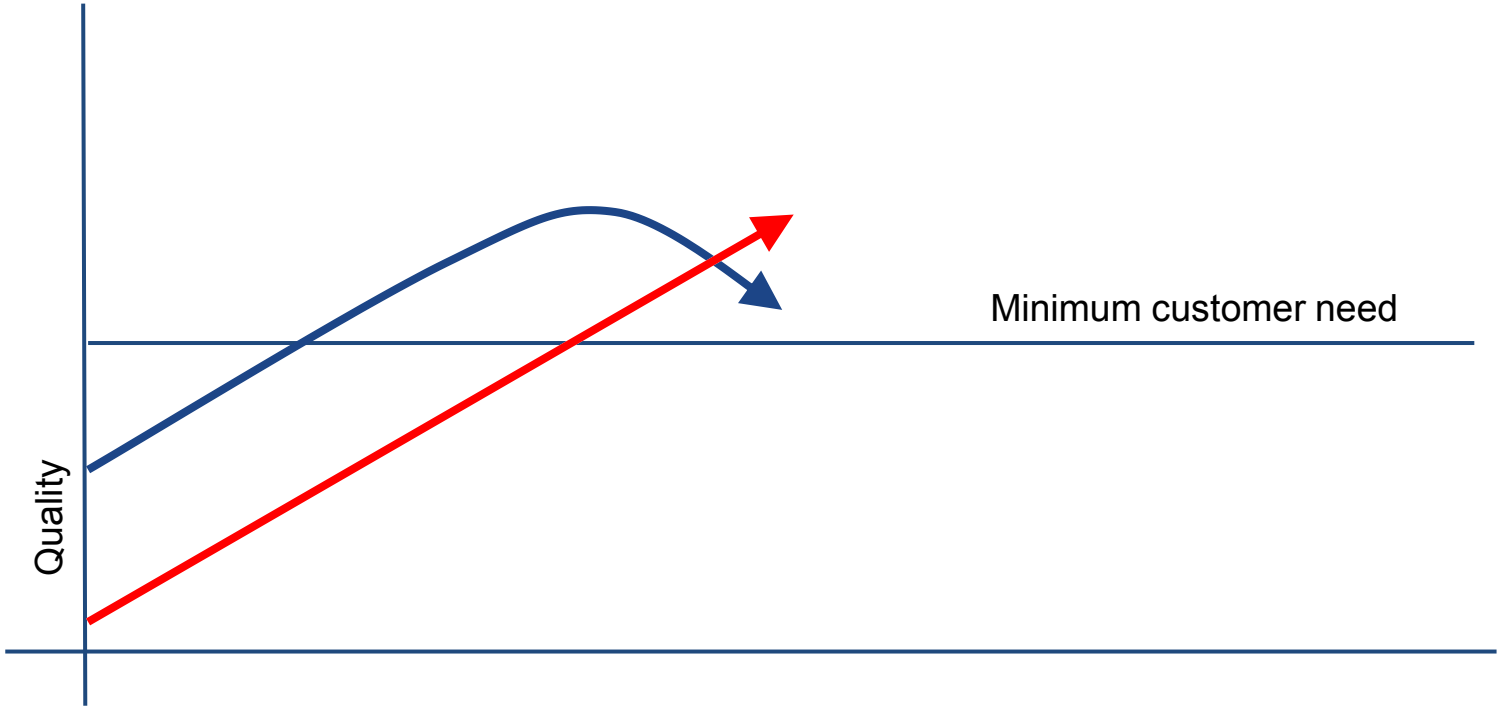
How Disruption Happens



How Disruption Happens



How Disruption Happens



Two results of disruption hit us hardest:

- Unbundling
- Disintermediation

(cc) Photo by Glasseye Views https://www.flickr.com/photos/axelhartmann/9882217413

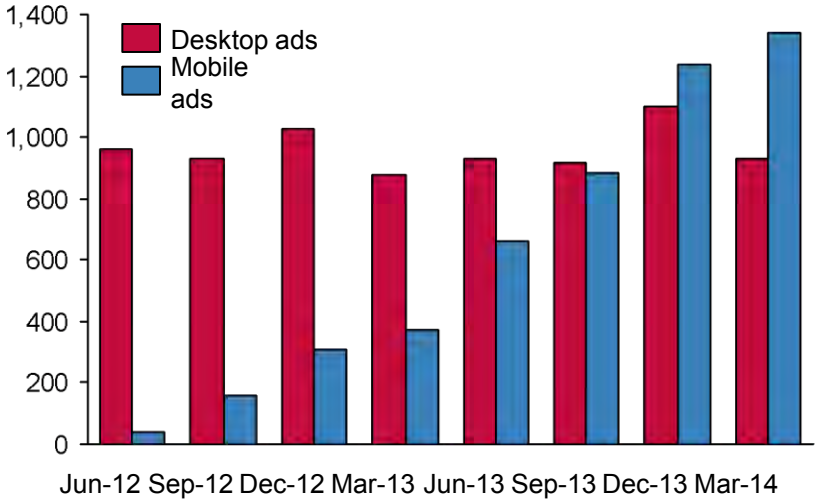
Introduction
Disruptive Innovation
Dealing with Disruption
Wrap-up: Key take-aways
Q&A

Business cases and long-term projects are commitment to deliver a set of predefined outputs.

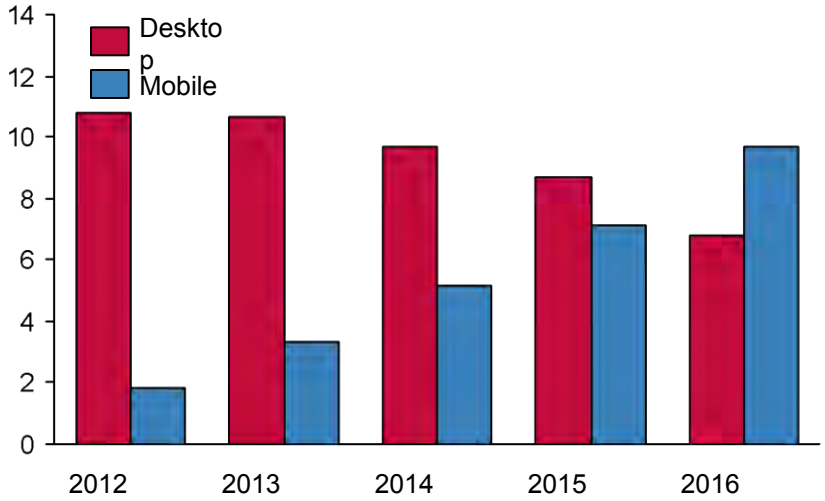
By nature, this doesn’t deal well with uncertainty, disruption or rapid change.

Two Success Stories

Facebook's Advertising Revenue ($m)[1]Mobile continues to surge



Google's Net Search Advertising Revenue in the U.S. ($b)[2]Google's shifting landscape



Source: 1) Company Reports; 2) eMarketer

Purpose

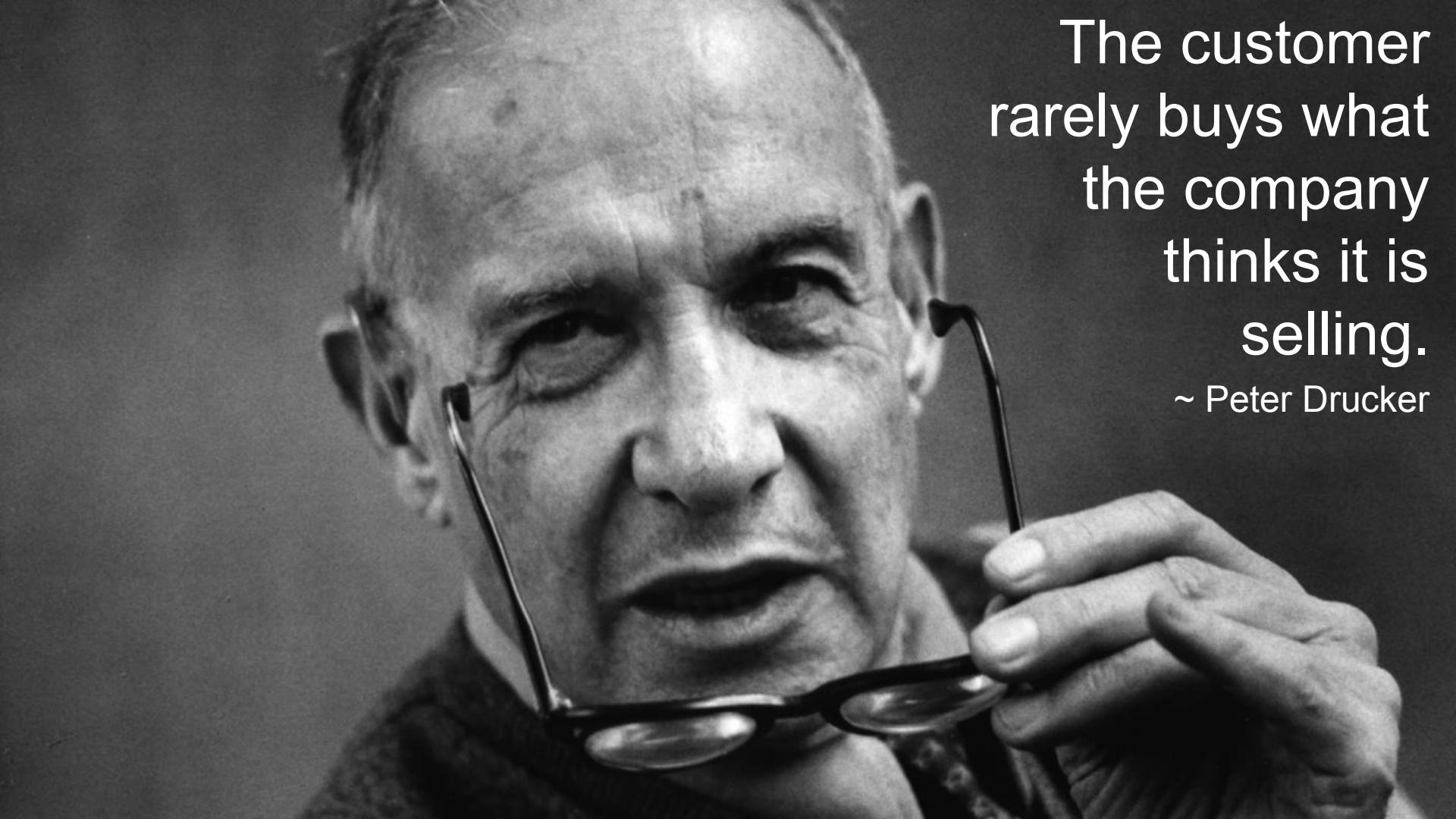
“Cash in a business is like fuel in a car. It has to be there, but a road trip is not a tour of gas stations.”

~ Tim O’Reilly

Understand the job you do

People don't want to buy a quarter-inch drill,
they want a quarter-inch hole.

~ Theodore Levitt (US economist)


The customer rarely buys what the company thinks it is selling.
~ Peter Drucker

Maintain the ability to Innovate

Create the space to innovate
Permission to fail
Failure-tolerant culture
Factor innovation into your sprint planning

"Want to increase innovation?
Lower the cost of failure"
Joi Ito
"Want to increase innovation?
Lower the cost of failure"
Joi Ito
amazon
web services

Fairfax Ignition

Hackathons Meet Kickstarter

Photo by young_einstein - Creative Commons Attribution-NonCommercial-ShareAlike License https://www.flickr.com/photos/young_einstein/209662750

Our use of Agile

Most of our Digital dev teams are using Scrum, with some Kanban.

Most of the rest of the organisation has not moved to Agile yet.

Our rollout plans to take the rest of the org Agile (focused on proximity to Digital).

Our use of Agile

We’re changing our processes to incentivise our staff to experiment and embrace Agile

Our use of Agile

Our Agile teams follow the 7+/-2

Product owners typically in businesses.

Legacy roles and processes still exist.

We opted for a gradual rollout.

Challenges

Existing projects, platform replacements.

“Big Bang” / Launch-sponsored projects.

We are a very large, very old business.

Many acquisitions has led to many silos.

Introduction
Disruptive Innovation
Dealing with Disruption
Wrap-up: Key take-aways
Q&A

Disruptors are coming. Watch for them at the bottom of your market

Photo (cc) Kevin Dooley https://www.flickr.com/photos/pagedooley/3742023871/

Textbook management best-practices alone will set you up perfectly to be disrupted

Agile development
is not enough.
You need Agile
product management

Don’t just build faster horses

Picture by EscyKane - http://www.deviantart.com/art/Equine-Cheetah-150768097

Questions?

Mark Cohen

General Manager - Product Solutions

@markc

mark.cohen@fairfaxmedia.com.au